
DIGEST

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Pearson

HB No. 377

Abstract: Relative to state and statewide retirement systems, for members of such systems elected to the legislature on or after July 1, 2011, who are employed in other public service, prohibits the earnings from legislative service from being used to calculate benefits. Prohibits the accrual of service credit for such legislative service. Furthermore, for a part-time elected official grandfathered into retirement system membership on Jan. 1, 1997, who gets elected to the legislature on or after July 1, 2011, such individual shall receive a 2% accrual rate.

Present law prohibits a "part-time" elected or appointed official from being a member of a public retirement plan unless he was serving in such position on January 1, 1997. Defines "part-time" officials as:

- (1) Legislators, school board, levee board, policy jury, and parish council members.
- (2) City council, city-parish council, or town council members, aldermen, and constables.
- (3) Members of boards or commissions.

Present law (R.S. 24:36(A)) provides an additional 1% accrual rate on top of the regular retirement system accrual rate for legislative service.

Proposed law (R.S. 11:164(B)(2)) provides that for any individual who was a part-time public official on January 1, 1997, (grandfathered into retirement system membership) and who gets elected to the legislature on or after July 1, 2011, but who was not in the legislature on June 30, 2011, his total accrual rate shall be 2%.

Present law (R.S. 11:191(A)) provides that where any person is employed in more than one position of public employment making him eligible for membership in multiple public retirement systems, such person shall be a contributing member of each such retirement system. Provides that in no event shall such person accrue more than one year of service credit among multiple retirement systems in a given year.

Proposed law (R.S. 11:191(C)) retains present law but provides that for any member of a state or statewide retirement system elected to the legislature for a term commencing July 1, 2011, or later, who is employed in another position of public office or employment making him eligible for system membership, earnable compensation for purposes of benefit calculation shall not

include compensation from such legislative service. Prohibits the accrual of service credit for such legislative service.

Proposed law does not apply to any member serving in the legislature on June 30, 2011.

Effective June 30, 2011.

(Amends R.S. 11:164(B) and 191(A) and R.S. 24:36(A); Adds R.S. 11:191(C))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Provides for a reduction in the accrual rate for retirement purposes for any part-time elected or appointed official grandfathered into retirement system membership on Jan. 1, 1997, who is elected to the legislature on or after July 1, 2011. Such accrual rate shall be 2%.

House Floor Amendments to the engrossed bill.

1. Clarifies that the reduced accrual rate provided for in proposed law for legislative service shall not apply to persons holding multiple public employment who are restricted under proposed law from accruing service credit for legislative service.